

Entered on Docket

May 10, 2019

EDWARD J. EMMONS, CLERK
U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA



Signed and Filed: May 10, 2019

Dennis Montali

DENNIS MONTALI
U.S. Bankruptcy Judge

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14 **UNITED STATES BANKRUPTCY COURT**
15 **NORTHERN DISTRICT OF CALIFORNIA**
16 **SAN FRANCISCO DIVISION**

17 **In re:**

18 **PG&E CORPORATION,**

19 **- and -**

20 **PACIFIC GAS AND ELECTRIC
COMPANY,**

21 **Debtors.**

22 Affects PG&E Corporation
23 Affects Pacific Gas and Electric Company
 Affects both Debtors

24 * *All papers shall be filed in the Lead Case,
No. 19-30088 (DM).*

Bankruptcy Case
No. 19-30088 (DM)

Chapter 11

(Lead Case)

(Jointly Administered)

25 **ORDER AUTHORIZING DEBTORS TO
PAY THE FEES AND EXPENSES OF
SIMPSON THACHER & BARTLETT LLP
PURSUANT TO 11 U.S.C. § 327(e) AS
COUNSEL TO THE BOARD OF
DIRECTORS OF EACH OF PG&E
CORPORATION AND PACIFIC GAS AND
ELECTRIC COMPANY AND PURSUANT
TO 11 U.S.C. § 363 AS COUNSEL TO
CERTAIN CURRENT AND FORMER
INDEPENDENT DIRECTORS**

1 Upon the Motion, dated April 2, 2019 (the “**Motion**”)¹ of PG&E Corporation (“**PG&E Corp.**”)
2 and Pacific Gas and Electric Company (the “**Utility**”), as debtors and debtors in possession (collectively,
3 “**PG&E**” or the “**Debtors**”) in the above-captioned chapter 11 cases (the “**Chapter 11 Cases**”),
4 pursuant to section 363(b) of title 11 of the United States Code (the “**Bankruptcy Code**”), for
5 authorization to pay the reasonable fees and expenses of Simpson Thacher & Bartlett LLP (“**Simpson**
6 **Thacher**”) as counsel to the Board of Directors (the “**Board**”) of each of PG&E Corporation and Pacific
7 Gas and Electric Company and as counsel to certain current and former Independent Directors (as
8 defined below), pursuant to the terms set forth in the Motion and the *Supplemental Declaration of*
9 *Michael H. Torkin in Support of the Motion Pursuant to 11 U.S.C. § 363(b) Authorizing Debtors to Pay*
10 *the Fees and Expenses of Simpson Thacher & Bartlett LLP as Counsel to the Independent Directors of*
11 *PG&E (As Modified as Described Herein)* (the “**Supplemental STB Declaration**”); and upon
12 consideration of the *Declaration of Michael H. Torkin in Support of the Motion Pursuant to 11 U.S.C.*
13 *§ 363(b) Authorizing Debtors to Pay the Fees and Expenses of Simpson Thacher & Bartlett LLP as*
14 *Counsel to the Independent Directors of PG&E Corp.* (the “**Torkin Declaration**”), the Supplemental
15 Declaration and the *Declaration of Nora Mead Brownell in Support of the Motion Pursuant to 11 U.S.C.*
16 *§ 363(b) Authorizing Debtors to Pay the Fees and Expenses of Simpson Thacher & Bartlett LLP as*
17 *Counsel to the Independent Directors of PG&E (As Modified as Described in the Supplemental STB*
18 *Declaration)* (the “**Brownell Declaration**”); and upon the request of the Office of the U.S. Trustee that
19 Simpson Thacher be retained as counsel for the Board pursuant to 11 U.S.C. § 327(e); and this Court
20 having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157
21 and 1334, and the *Order Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General
22 Order 24 and Rule 5011-1(a) of the Bankruptcy Local Rules for the United States District Court for the
23 Northern District of California (the “**Bankruptcy Local Rules**”); and consideration of the Motion and
24 the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being
25 proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the
26 Motion having been provided to the parties listed therein, and it appearing that no other or further notice
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¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such
terms in the Motion.

1 need be provided; and this Court having reviewed the Motion, the Torkin Declaration, the Supplemental
2 STB Declaration and the Brownell Declaration; and a hearing having been noticed to consider the relief
3 requested in the Motion (the “**Hearing**”); and upon the record of the Hearing (if any was held) and all
4 of the proceedings had before the Court; and the Court having found and determined that the relief
5 sought in the Motion is in the best interests of the Debtors, their estates, creditors, shareholders and all
6 parties in interest; and that the legal and factual bases set forth in the Motion establish just cause for the
7 relief granted herein; and after due deliberation and sufficient cause appearing therefor,

8 **IT IS HEREBY ORDERED THAT:**

9 1. The Motion is granted as provided herein.

10 2. Pursuant to the terms of this Order and effective as of the Petition Date, the
11 Debtors are authorized (i) pursuant to section 327(e) of the Bankruptcy Code, to pay reasonable fees
12 and compensation to, and reimburse reasonable and necessary expenses of, Simpson Thacher as counsel
13 to the Board, as it may be constituted from time to time, and to the members of the Board from time to
14 time in their capacities as members of the Board (the “**Board Representation**”), and (ii) pursuant to
15 section 363 of the Bankruptcy Code, to pay reasonable fees and compensation to, and reimburse
16 reasonable and necessary expenses of, Simpson Thacher as counsel to certain current and former
17 independent directors in their individual capacities who serve or served as independent directors prior
18 to and/or as of the Filing Date (each an “**Independent Director**” and collectively, the “**Independent
19 Directors**”) (the “**Independent Director Representation**”).

20 3. Subject to the Court’s approval, the Debtors shall pay the reasonable fees of, and
21 reasonable and necessary expenses incurred by, Simpson Thacher (A) in the Board Representation with
22 respect to (i) all matters related to corporate governance, and (ii) other related matters and (B) in the
23 Independent Director Representation with respect to (i) representation in ongoing litigation and
24 regulatory inquiries, including matters involving the California Public Utilities Commission, (ii) fact-
25 gathering, and (iii) related matters.

26 4. With respect to both the Board Representation and the Independent Director
27 Representation, Simpson Thacher shall apply for compensation and reimbursement of expenses in
28 compliance with the *Order Pursuant to 11 U.S.C. §§ 331 and 105(a) and Fed. R. Bankr. P. 2016 for*

Authority to Establish Procedures for Interim Compensation and Reimbursement of Expenses for Professionals (the “**Interim Compensation Order**”) [Docket No. 701], applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, and any other applicable procedures and orders of the Court.

5. In connection with any increases in Simpson Thacher's rates, Simpson Thacher shall provide reasonable notice to the Debtors, the Official Committee of Unsecured Creditors (the "Committee"), the Official Committee of Tort Claimants (the "TCC" and together with the Committee, the "Committees") and the U.S. Trustee. The notice shall certify that the Debtors have consented to the requested rate increases.

6. Nothing contained herein shall prejudice, in any way, the right of any current or former member of the Board of Directors of either Debtor, including any Independent Director, from seeking and obtaining indemnification, advancement, reimbursement or other coverage under any insurance policies, including D&O policies, related to such director's service on the Board of Directors of either Debtor or from filing a proof of claim against either Debtor.

7. Notice of the Motion as provided therein is deemed good and sufficient notice of the Motion.

8. This Order shall only apply to the retention of Simpson Thacher, and the retention of any additional counsel by the Debtors or any other party on behalf of the Independent Directors shall be the subject of an additional retention application filed in accordance with the *Order Implementing Certain Notice and Case Management Procedures* [Docket no. 759]. The Committee reserves all rights with respect to any such additional application.

9. This Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation, interpretation, or enforcement of this Order.

** END OF ORDER **